

trade area where such representations are made.

*It is further ordered,* That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

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IN THE MATTER OF

CHARLES S. SCOTT TRADING AS THE KEY SHOP

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

*Docket C-1297. Complaint, Feb. 12, 1968—Decision, Feb. 12, 1968*

Consent order requiring a Houston, Texas, furrier to cease misbranding and  
falsely advertising its fur products and failing to maintain required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Charles S. Scott, an individual trading as The Key Shop, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Com-

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mission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complain stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Charles S. Scott is an individual trading as The Key Shop. Respondent is a retailer of fur products with his address and principal place of business located at 6800 South Main, Houston, Texas.

PAR. 2. Respondent is now, and for some time last past has been engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and has sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in violation of Section 4(1) of the Fur Products Labeling Act in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified in that labels affixed to fur products, contained representations, either directly or by implication that the prices of such fur products were reduced from respondent's former prices and the amount of such purported reduction constituted savings to purchasers of respondent's fur products. In truth and in fact, the alleged former prices were fictitious in that they were not actual, bona fide prices at which respondent offered the products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and savings were not afforded purchasers of respondent's said fur products, as represented.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder inasmuch as information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were advertisements of the respondent which appeared in issues of the Houston Chronicle, a newspaper published in the city of Houston, State of Texas and having wide circulation in Texas and other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in any such fur product.
2. To show that the fur contained in such fur products was bleached, dyed, or otherwise artificially colored, when such was a fact.
3. To show the country of origin of imported furs contained in such fur products.

PAR. 6. Respondent falsely and deceptively advertised fur products by affixing labels thereto which represented either directly or by implication that prices of such fur products were reduced from respondent's former prices and the purported reductions constituted savings to purchasers of respondent's fur products. In truth and in fact, the alleged former prices were fictitious in that they were not the actual bona fide prices at which respondent offered the fur products to the public on a regular basis for a reasonably substantial period of time in the recent regular course of business and the said fur products were not reduced in price as represented and the represented savings were not thereby afforded to purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act and Rule 44(a) of the Rules and Regulations.

PAR. 7. In advertising fur products for sale the aforesaid respondent represented through such statements as "DEDUCT AN ADDITIONAL 25% OFF THE ALREADY REDUCED PRICE" that prices of fur products were reduced in direct proportion to the percentage stated and that the amount of said reduction afforded savings to purchasers of respondent's products when in fact such prices were not reduced in direct proportion to the percentage stated and the representative savings were not thereby afforded to purchasers, in violation of Section 5(a)(5) of the Fur Products Labeling Act.

PAR. 8. In advertising fur products for sale as aforesaid respondent represented, directly or by implication, through such statements as "A representative from one of Americas oldest and foremost furriers will display and sell over \$150,000 in mink stoles, suits, jackets and coats in all lengths" that the quantity and value of the inventory of mink products to be displayed and offered for sale was as represented when in truth and in fact the quantity and value of mink products thus

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advertised was substantially less than represented, in violation of Section 5(a) (5) of the Fur Products Labeling Act.

PAR. 9. In advertising fur products for sale of the aforesaid, respondent made pricing claims and representations of the types covered by subsections (a), (b), (c) and (d) of Rule 44 of the Rules and Regulations under the Fur Products Labeling Act. Respondent in making such claims and representations failed to maintain full and adequate records disclosing the facts upon which such claims and representations were based, in violation of Rule 44(e) of the said Rules and Regulations.

PAR. 10. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein respondent falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations, promulgated thereunder inasmuch as the term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 11. The aforesaid acts and practices of the respondent, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

## DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Charles S. Scott is an individual trading as The Key Shop, with his office and principal place of business located at 6800 South Main, Houston, Texas.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

*It is ordered.* That respondent Charles S. Scott, an individual trading as The Key Shop or any other name, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing, directly or by implication on a label, that any price whether accompanied or not by descriptive terminology is the respondent's former price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith by the respondent in the recent regular course of business, or otherwise misrepresenting the price at which such fur product has been sold or offered for sale by respondent.

2. Misrepresenting in any manner on a label or other means of identification the savings available to the purchaser of any fur product from respondent.

3. Failing to set forth information required under section 4(2) of the Fur Products Labeling Act and the Rules

and Regulations promulgated thereunder on a label in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

B. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly in the sale, or offering for sale of such fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not painted, bleached, dyed, tip-dyed or otherwise artificially colored.

3. Represents, directly or by implication, that any price, whether accompanied or not by descriptive terminology is the respondent's former price of such fur product when such price is in excess of the price at which such fur product has been sold or offered for sale in good faith by the respondent in the recent regular course of business, or otherwise misrepresents the price at which any such fur product has been sold or offered for sale by respondent.

4. Falsely or deceptively represents, that savings are afforded to the purchaser of any such fur product or misrepresents in any manner the amount of savings afforded to the purchaser of such fur product.

5. Falsely or deceptively represents that the price of any such fur product is reduced.

6. Misrepresents, directly or by implication, through percentage savings claims that the price of any such fur product is reduced to afford the purchaser of such fur product from respondent the percentage of savings stated.

7. Misrepresents in any manner, directly or by implication, the quantity or value of the inventory of fur products displayed or offered for sale.

C. Failing to maintain full and adequate records disclosing the facts upon which pricing claims and representations of the

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types described in subsections (a), (b), (c) and (d) of Rule 44  
of the Rules and Regulations promulgated under the Fur Prod-